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A PROFESSIONAL CORPORATION

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ACT/037/001

*Ret to Jim - then
file in Rio Algom
Lisbon Uranium Mill*

*Ra
Jim*

November 17, 1980

RECEIVED

NOV 19 1980

DIVISION OF
OIL, GAS & MINING

First Security Bank of Utah, N.A.
Trust Department
Corporate Division
P.O. Box 30007
Salt Lake City, Utah 84125

ATTN: Randy Marchant

RE: Rio Algom Corporation Mined Land Reclamation
Escrow Agreement

Dear Mr. Marchant:

On November 1, 1979 and on September 25, 1980, Rio Algom Corporation entered into Mined Land Reclamation Agreements and Escrow Agreements with the Board of Oil, Gas & Mining dealing with reclamation at Rio's Lisbon Mine. This letter is in response to your inquiry concerning the proper interpretation of paragraph 1, "Deposit of Escrow Funds" of each of these escrow agreements.

The intent of the parties to the agreement, is that Rio Algom Corporation will make a deposit on the designated day each year such that the amount held in the escrow fund on that day shall be the amounts shown on Schedule A to each agreement. Specifically, on or before December 1 of 1980, Rio Algom shall make a deposit sufficient that the cumulative amount, including the current deposit and the interest earned on the existing deposit shall equal \$155,376. This procedure shall continue each year thereafter until the year 2001 when the escrow account shall contain \$3,064,347 or until the agreement is terminated by the parties thereto. Similar deposits shall be made on October 1 of each year for the September 25th Escrow Agreement.

November 14, 1980
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I have discussed this matter with Ron Daniels from the staff of the Board of Oil, Gas & Mining who agrees with this interpretation.

If you have any further questions, please feel free to contact me.

Sincerely,

David R. Bird

DAVID R. BIRD

of and for

PARSONS, BEHLE & LATIMER

DRB/rla

cc: Ronald W. Daniels
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116

Mr. Stan Davis
Rio Algom Corporation
P.O. Box 610
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